

Education and Workforce Development Cabinet

Kentucky's unemployment rate at 7.9 percent in March 2014

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FRANKFORT, Ky. (April 17, 2014) — Kentucky's seasonally adjusted preliminary unemployment rate rose slightly to 7.9 percent in March 2014 from a revised 7.8 percent in February 2014, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary March 2014 jobless rate was .4 percentage points below the 8.3 percent rate recorded for the state in March 2013.

The U.S. seasonally adjusted jobless rate remained unchanged at 6.7 percent in March 2014 compared to a month ago, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In March 2014, Kentucky's civilian labor force was 2,065,094, an increase of 11,319 individuals compared to the previous month. Employment was up by 9,638, while the number of unemployed increased by 1,681.

"Our labor force market has been in transition since July, when the labor force started contracting and so did the employment level," said economist Manoj Shanker of the OET. "Starting in January the month-to-month picture has improved as employment has expanded, but labor force participation rates have fallen to historical lows. We think it's related almost entirely to demographics as baby boomers age out of the workforce."

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment was down by 2,400 jobs to 1,830,200 in March 2014 from the previous month. On an over-the-year basis, the state's nonfarm employment has dropped by 3,800 jobs.

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, three of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while eight declined.

"The household labor force survey and the establishment jobs survey usually move hand in hand. During the last three months they have diverged quite dramatically. This is a statistical anomaly that should resolve itself in a few months," said Shanker.

Kentucky's trade, transportation and utilities sector gained 1,600 jobs in March 2014. This is the largest sector in Kentucky with 368,300 positions, and accounts for about 20 percent of nonfarm employment. Since March 2013, jobs in this sector have declined by 900.

"Fluctuations in trade and warehousing employment have become common as businesses try to maximize profits by juggling resources in a very competitive price-sensitive market," said Shanker.

The financial activities sector added 300 jobs in March 2014. Compared to March a year ago, businesses involved in finance, insurance, real estate and property leasing have decreased by 2,700 jobs.

The state's professional and business services sector had 100 more jobs in March 2014. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services. Since last March, jobs in the sector have increased by 1,500.

"Business services have grown steadily for well over four years. The recession actually helped growth as other industries focused on core products and sourced out non-core jobs ranging from payroll to legal services," said Shanker.

Employment in the mining and logging sector fell by 100 in March 2014. The number of jobs in this sector has dropped by 400 since last March.

The information sector decreased by 100 positions in March 2014. This segment has declined by 400 positions since March 2013. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

The educational and health services sector fell by 400 positions in March 2014. The sector has gained 800 jobs since March 2013.

Kentucky's leisure and hospitality sector decreased by 400 jobs in March 2014. Since March 2013, the sector has dropped by 400 positions. This sector includes arts, entertainment, recreation, accommodation and food services.

The number of jobs in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, was down by 400 positions March 2014 from a month ago. Compared to a year ago, 600 jobs have been added.

The state's manufacturing sector lost 600 positions in March 2014. Since March 2013, employment in manufacturing has fallen by 1,800 jobs.

"The decline from March 2013 in the overall manufacturing sector has resulted from a contraction in the nondurable goods industries," said Shanker.

The government sector, which includes public education, public administration agencies and state-owned hospitals, declined by 900 jobs in March 2014. The sector had 1,000 more jobs compared to March 2013.

The state's construction sector posted a decrease of 1,500 positions in March 2014 from a month ago. Since March 2013, employment in construction has declined by 1,900 jobs.

"For the last four years construction employment has remained fairly constant at around 66,000 jobs. The slight downturn in March 2014 is from a drop in demand for specialty trade contractors and building construction," said Shanker.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about Kentucky labor market information at www.kylmi.ky.gov.